

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF STEPP)	CASE NO. 10371-A
BRANCH GAS COMPANY)	

ORDER

On November 8, 2001, Stepp Branch Gas Company (“Stepp Branch”) filed its GCA to be effective December 1, 2001. The Commission approved Stepp Branch’s Gas Cost Adjustment (“GCA”) clause to be effective December 1, 2001.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Stepp Branch’s notice includes revised rates designed to pass on to its customers its expected level of wholesale gas costs. Its gas costs result from its purchases from Columbia Natural Resources to supplement its own gas supply during the winter heating season. Stepp Branch’s proposed expected gas cost (“EGC”) is 95.72 cents per Mcf.

2. Stepp Branch’s notice sets out no current quarter refund adjustment.

3. Stepp Branch’s notice sets out no current quarter actual adjustment.

4. Stepp Branch’s GCA is 95.72 cents per Mcf, which is in addition to Stepp Branch’s existing rate of \$6.00 for the first Mcf and \$5.65 for all additional Mcf.

5. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for gas supplied by Stepp Branch on and after December 1, 2001.

6. In accordance with the terms of Stepp Branch's GCA clause, the rates approved herein will be in effect from December through March, the Winter billing period.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are approved for gas supplied by Stepp Branch on and after December 1, 2001.

2. Within 20 days of the date of this Order, Stepp Branch shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 28th day of November, 2001.

By the Commission

ATTEST:

Deputy W. H. Fowler
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10371-A DATED November 28, 2001

The following rates and charges are prescribed for the customers served by Stepp Branch Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Rates:

	<u>Base Rate</u>	<u>Gas Cost</u>	<u>Rate per Mcf</u>
Minimum Bill - First Mcf	\$6.00	\$.9572	\$6.9572
Over 1 Mcf	\$5.65	\$.9572	\$6.6072